[Shri Prakash Yashwant Ambedkar]

people go to work, they are arrested and kept in prison and later on they are shot dead. May I point out a specific case which has taken place recently? It is in village Ghazipur in the District of Betul. The name of the labourer is Gonha. He was arrested on suspicion. When he was taken to his village for recovery of the property, as the police call it, and when nothing was found, he was shot dead in front of his family members. But the Government of Madhya Pradesh is saying that he is absconding. After a complaint was made, he was charged with murder under section 302! Madam, this is very callous. Further, in another district, 59 Adivasis were arrested and charges have been framed against them that they were aiding and abetting the Naxalites.

Madam, the situation is very grave. These people are voiceless and they do not have any organization of their own. You cannot imagine the brutalities to which they are subjected in Madhya Pradesh today and it is something which is very inhuman. Through you, Madam, I request the Central Government and also the Government of Madhya Pradesh to see that work is provided to these Adivasis because, otherwise, there will be more deaths due to hunger. The Adivasis who have been arrested on the charge of abetting and helping the Naxalites are being kept in the prison without any reason and they should be released immediately. I have mentioned earlier the incident of this women's body being eaten up by ants before dying. This is the condition prevailing there now. The Government should look into this matter. It concerns a section of our own population. I hope the Government will react to it favourably. Thank you, Madam.

कुमारी सुशीला तिरिया (उड़ीसा) : महोदया, मैं यह कहना चाहती हूं कि आदिवासी हर जगह पूरे हिन्दुस्तान में भूखों मर रहे हैं, उनको दवाई नहीं मिलती है। मध्य प्रदेश की बात उन्होंने स्पेशल मेंशन के जरिए बताई है। मध्य प्रदेश में कोई भी सरकार हो और हिन्दुस्तान की दूसरी स्टेटों में कोई भी सरकार हो, आदिवासियों पर और महिलाओं पर 302 के जो केसेज लगाये जाते हैं वे नहीं होने चाहिये। मैं आपके माध्यम से सरकार से यह निवेदन करूंगी कि इस तरह से इन पर 302 के जो केसेज लगाये जाते हैं वे विदड्रा किये जाएं। यह मेरी मांग है।

DISCUSSION ON THE WORKING OF THE MINISTRY OF INDUSTRY—contd.

SHRI N.E. BALARAM (Kerala): Madam, I rise to speak a few words about the working of the Ministry of Industry.

Madam, as far as our country is concerned, the growth or development of industries is very vital because the backbone of our economy is industry. If the Government was prepared to take some positive measures to impove the economy, I would welcomed it whole-heartedly. What I now see is that we have been following an industrial policy for the last four decades which has been successful to some extent. That policy helped us, I would say, in building up an independent and self-reliant economy. Now, in July 1991, in the name of solving the balance of payments crisis, the Government has taken a very different step, a totally different step, as far as industries are concerned. They are now working on a new industrial policy. Some of the Members, some of my friends, were saying—I was listening to them—that this new policy is an evolution of the old policy. Some of them are saying that it is an improvement on the old policy. But the facts do not permit me to agree with them; I am sorry to say that. The old policy the 1956 policy—the intention of that policy was to create a mixed economy, to build up a mixed economy, where the public sector will be placed on a commanding height. And the Government, Sir, followed more or less the same policy. Of course, weaknesses were there, so many discrepancies were there, but in spite of that the country was able to build a self-reliant economy, more or less a strong one. Now, the new idea is, instead of building up, instead of correcting mistakes,

if there are any mistakes or if there is any deficiency in the functioning of the public sector or in the functioning of the mixed economy, the intention of the present policy is to give up the entire outlook, whatever they say, the entire basic policy which they have been following for the last 40—45 years. The main purpose of this industrial policy is to put the private sector, place the private sector, at a commanding height of our economy. Madam, even if it is the domestic private sector I would support it. But now that is not there. It is very clear now. They want to put the international capital foreign monopoly capital, they think that the foreign monopoly capital is the main engine of the growth of our country and the public sector, if any, remains, and the domestic sector, if they can compete with the international monopoly sector, can at best play a second fiddle to the international monopoly investment in the country. This is the direction in which we are taking the country. So I cannot agree with such a policy. And I do not want to go more than that, because I want to take my time for some other things.

Madam, now what is the present position of our industry ? I have gone to the Industry Department. I do not get a picture at all. So it is totally confusing, because either the Ministry is confusing or you are confusing. I do not get a picture. But I have got a piece of report which was collected by the Central Statistical Organization (CSO). They say that the present state of affairs of the industry for the last one year is that it was declining, declining sharply. (*Time Bell*).

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You were allotted, your party was allotted, six minutes only.

SHRI N. E. BALARAM : I finish within time. But I will say one or two things. I shall not read out the whole thing. I quote :

> "The fall in industrial production is continuing. According to the latest figures of CSO, as per the quick estimates of index industrial production (IIP), the general index for January 1992 stood at 228.9, which is lower by 0.04 per cent as compared to the corresponding period of 1991."

This is a good picture. Which area they are falling down ? Everything is there. I do not know whether it is a fact this is the CSO report. The Minister can tell me whether the industry has got any substantial growth. I would welcome it. In the report published by the Department nothing has been found out. I do not want to go into the reasons for that also. There are several reasons. One reason can be that Mr. Chidambaram was standing in the way because of compulsion of imports. That is one explanation. I do not accept that. That may be partly true. But the main reason is a matter of management, management policy of the Government. I cannot go into the details. That is the main reason for the fall in production. It is because they have made a commitment to the World Bank and the International Monetary Fund that they will reduce the fiscal deficit to 6 per cent of the GDP. So, instead of cutting down the non-Plan expenditure, they are cutting down the capital expenditure, the expenditure on agriculture and the expenditure on rural development programmes. All these programmes are cut down. May be. these are some of the reasons for the fall in the industrial growth. The Minister while giving the reply will explain all these thing. But I want to point out one thing. The attitude of the Government, specially the Industries Department towards the public sector is very much alarming. I can give you one example. That is the example of Maruti Udyog. It was not the political parties, it was not the Opposition parties or the Congress Party, but it was the CBI who have been having a war, a regular war for the last one year with the industries Ministry. Mr. Thungan knows it very well. The CBI were writing regular letters for getting permission from the Industries Secretary to frame corruption charges in two cases against the Managing Director and the Chairman of the Maruti Udyog Limited. There were two cases, two impor-

[Sh. N. E. Balaram]

tant cases. One is the case of awarding some contract for the purchase of air-conditioners. His name, I know. It is very well-known. Several times it was mentioned here. I do not want to mention the name. He was given the contract. And the CBI wrote several letters and the Minister, Mr. Thungan knows it. And the second charge was that there is one Suri's father-in-law, one Mr. Nanda. He was given another contract for transporting some components from Kandla port to here. That also is based on corruption, according to the CBI. They have written letters to the Industries Secretary. They have written about 7 letters. And ultimately the Minister himself said—Mr. Thungan is sitting here. That is why I am saying this -(*Time-bell*) Madam, I am finishing. It is from the 'Statesman' :

> "In November, 1991, the Minister of Industries, Mr. Thungan admitted in an interview to this newspaper"—this is the 'Statesman'—"that the Ministry was in receipt of reports of irregularities and scandals relating to Maruti Udyog. He said the CBI had submitted its preliminary enquiry reports on these cases"—there are two cases—"and had sought the Ministry's consent to register the cases. Mr. Thungan even gave an assurance that the Government would soon take a decision about registering these cases."

Which Government ? I do not know. The letter is written to the Industries Secretary and the Minister has seen the letter. The letter was sent by the CBI. So, the Government will take a decision whether the permission should be given or not to the CBI to frame charges. So, we are very careful. Our Government and the Minister are very careful. The Government has to be very very careful ....

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You be careful about the time. You have twelve minutes.

SHRI N.E. BALARAM : You may also want to know about it, the whole House wants to know. I will finish in two minutes. This is regarding Maruti cars. This particular gentleman was given a loan of two crores of rupees; the Minister knows it, and that particular Managing Director said "I am giving loan; I gave him two loans; what is wrong ? After all, it is Maruti money. What is wrong in it ?" This was the reply given by the great man, Mr. Bhargava, Chairman and Managing Director of the company. And this case is pending with the Ministry for the last seven months. And you say public sector is very bad and that it is not functioning properly, and you want to dispense with it ! You hand over to some more efficient people. What I am saying is, the entire working of this Ministry requires serious reconsideration by the Minister themselves; otherwise you may not get the desired results of your policy. You have started a new policy and you will know the results only after one year, after December only because we can know after one year what happens to the industry and to the economy. According to my assessment, they are moving towards a recession which you will not be able to prevent. You have to retrace your steps. The direction in which you are moving is very dangerous.

So I want the Minister to give permission to the CBI to frame charges against these people who are committing serious crimes in this company.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : The Minister of State for Industry, Mr. Thungan has requested to intervene in the debate. I am permitting him to intervene. Mr. Kurien will reply at the end.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL (SHRI P.K. THUNGON) : I am grateful to all the hon. Members who have taken part in the debate and have given valuable suggestions on the working of the Ministry of Industry.

Madam, as you have rightly pointed out, rest of the points would be dealt with by my colleague. I would like to confine myself to the Department of Public Enterprises,

Some of the hon. Members, including Shri Ramdas Agarwal, and also Balram Sahib felt that the Government should come out with a definite policy on the PSEs. Balaram Sahib is also not quite sure about our policy and he is not confident about it. I would simply like to reiterate that so far as the new industrial policy on the public sector is concerned, it involves mainly the following :

Reduction in the list of industries reserved for public sector from 17 to 8, and introducing selective competition in the reserved area;

Disinvestment of shares of the PSEs to raise resources and encourage a wider participation of general public and workers in the ownership of PSEs;

Improvement of performance through performance contract or MOU system by which management are to be given greater autonomy and held accountable for the results.

This was further elaborated and we have deliberated on our industrial policy in this august House earlier also. The policy was further elaborated by the hon. Prime Minister, and if I may reiterate, while dealing with the sickness, human, hardships will be avoid to the extent possible through the National Renewal Fund. Secondly, nationalisation will normally not be resorted to in future. Thirdly, there would be reduced budgetary support to sick or potentially sick public sector enterprises with a view to eliminate the sickness. Fourthly, the mixed economy system will continue in the country. Therefore, so far as the public sector policy is concerned, I do not think I need to explain further. I do not want to take more time.

The hon. Member, Shri Rajni Ranjan Sahu he is not here—and some others mentioned about the efficacy of the BIFR. They expressed doubts about the BIFR, whether revival and rehabilitation of the sick industries would be really meaningful. As far as the Sick Industrial Companies (Special Provisions) Act is concerned, I may explain it a little bit. All sick industrial companies in the public sector are liable to be referred to the Board of Industrial and Financial Reconstruction for the formulation of suitable revival and rehabilitation schemes. Based on the performance up to the year 1990-91, there are 54 such sick public sector industrial undertakings. The total number of regular employees in these 54 enterprises is 3.3 lakhs, as on 31st March, 1991.

The BIFR will consider viable proposals for suitable revival/rehabilitation and it may also examine the number of employees becoming redundant in each case. So far, 14 industrial companies have been referred to the BIFR, out of these 54. Besides this, a special tripartite committee has been set up by the Government, which is also consulting the various trade unions as to how best the various units can be revived, can be rehabilitated, to the extent possible. Some trade unions have suggested the setting up of workers' co-operatives for running sick public sector enterprises. The Government is prepared to consider viable proposals, wherever the workers are willing.

As regards the policy of disinvestment, as you are all aware, the Government had announced in the Industrial Policy Statement, and in the Budget, that in order to raise resources, encourage wider public participation and promote greater accountsbility, up to 20 per cent of Government equity in selected public sector enterprises would be offered to mutual funds, financial institutions, workers and the general public. In pursuance of this policy, the Department of Public Enterprises selected 31 public sector enterprises with a good track record, and offered a part of their equity, varying from 5 to 20 per cent, for sale to public sector mutual funds and financial institutions. The total number of shares disinvested, so far, constitues only 8 per cent of 31 public sector enterprises. The total amount collected is Rs. 3,038 crores. This was done in the form of bundles or baskets by following the procedure of bidding, with public sector financial and investment institutions and merchant banks participating in it.

[Sh. P. K. Thungan]

For 1992-93, it is estimated that disinvestment of public sector enterprises' shares will yield around Rs. 3,500 crores. A Committee, under the Chairmanship of Shri V. Krishnamurthy, Member, Planning Commission, has been set up to devise criteria for selection of public sector enterprises for disinvestment during the current year, i.e. 1992-93.

Some Members touched on the point of autonomy. Particularly, Prof. Menon mentioned that PSEs should function on commercial lines. In that regard, I would like to say that in order to improve the performance of the public enterprises, the Government took a policy initiative by introducing a system of annual performance contract or the Memorandum of Understanding (MOU). An MOU attempts to spell out the mission, objectives and tragets to be achieved during the year by an enterprise. An enterprise of each target is assigned a weight based on the priority attached to its attainment by the Government. The level of target achievement is measured in a 5-point scale, that is excellent, very good, good, fair and poor.

Seventy PSEs have signed MOUs in the year 1991-92 and 120 PSEs were identified for entering into MOUs within this current year and with this the entire public sector would come under the MOU system except the enterprises that are chronically sick or insignificant in size.

Madam, it would be pertinent to mention something about wage and salaries of the workers. The public sector employs nearly 23 lakh workers, clerical staff and executives. Of this, 93 per cent of the enterprises are on Industrial DA pattern and related scales of pay whereas the employees in the remaining public enterprises are on the Central DA pattern. The Government policy is that all employees of the PSEs should be on the Industrial DA pattern and related scales of pay. The Government have permitted revision of pay and allowances of the non-unionised supervisors and executives holding posts below the Board level in the PSEs following Industrial DA pattern. The revised scale of pay are being made effective from 1-1-1987. The period of validity of the wage settlements signed by the major PSEs expired by 31st December, 1991. Policy parameters on the basis of which future negotiations are to be conducted by the PSEs with their trade unions are being evolved. The PSEs, however, in the meanwhile have been advised to maintain *status quo*.

Madam, Shri Hari Singh and a few other Members mentioned about reservation for the Scheduled Castes and Scheduled Tribes for employment is PSEs. In this regard, I would like to mention that the public enterprises generally follow the instructions relating to the reservation policy as obtaining in the Government departments. A comprehensive Presidential Directive in this regard was issued in April 1991. As per the information available, the overall representation of Scheduled Castes and Scheduled Tribes in public sector enterprises is 20.4 per cent and 9.83 per cent respectively. However, representation of Scheduled Castes in Group A and Group B is 6.40 per cent and 9.05 per cent respectively. In the case of Scheduled Tribes, percentage of representation in Group A is 1.54 while in Group B their percentage is 2.53 only. The PSEs have been asked to make rigorous efforts to wipe out the backlog in reservation of SCs and STs. As on 31st March 1991, 12,149 vacancies reserved for Scheduled Castes and Scheduled Tribes were identified in the public sector enterprises. A special recruitment drive was launched to fill up these vacancies. As per information available, almost half of these vacancies have already been filled and the process of recruitment through a special drive is still on.

Madam, I must mention something about Maruti, which Mr. Balaram has mentioned. I still submit that it is a fact that there are allegations against the CMG and some other executives or some other employees in Maruti Udyog Limited. It is also right, I admit, that there have been requests and letters from the CBI for the consideration of the Government. Mr. N.E. Balaram is quite a senior Member; he knows the

procedure of working in our system. So, naturally, I can simply assure him that my assurance still stands, that we are looking at it very seriously and very actively.

Lastly, Madam, I would like to reiterate that what we want, what the Government wants, is a vibrant, dynamic and self-reliant economy. The public sector is one of the most important sectors for the economy of our country. I assure, Madam, that to achieve this goal we will keep on striving without fear or favour. Thank you very much.

SHRI N.E. BALARAM: Madam, may I ask a question ? I don't know whether he will reply.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : He only intervened. .... (*Interruptions*) .... You want to ask a question ?

SHRI N.E. BALARAM : I can ask one question if he agrees. If he does not agree, them it means what I said is true.

.... (*Interruptions*) ....

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : I am permitting you to ask.

SHRI N.E .BALARAM : The first letter sent to you was seven months back—I take the responsibility for that. Now you want more time to decide, what ? Tell me please, tell the House please. What is the main question that you want to decide ? The charge was against Mr. Bhargava—I am not talking about the executives or officers. The charge was against the Managing Director and President of the company, Mr. Bhargava. The charges are, (1) he has purchased ....

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : Let him not make the charges here. .... (*Interruptions*) ....

SHRI N.E. BALARAM : The charge against Mr. Bhargava was that he bought two flats belonging to Mr. Suri without paying a single paisa. That was the charge made here. He says, he still wants to go into the question.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You have asked your question.

SHRI N.E. BALARAM : Can he take a decision within two weeks because it is in their hands for seven months ? One Secretary has retired.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You have asked your question. Don't eleborate. The Minister knows the facts. Yes, Mr. Minister, do you want to reply ?

SHRI P.K. THUNGAN : Madam, as I have already stated, the hon. Member is very senior and knows the procedure. That's why he is insisting on me that there should be a time limit. I have already assured the hon. Member that we are looking into it very seriously, and within the shortest possible time we will try to sort it out.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : Shri Dayanand Sahay. .... (*Interruptions*) .... I have identified him, no.

SHRI N.E. BALARAM : When corruption is at the top what can we do ?

SHRI DAYANAND SAHAY (Bihar) : Madam Vice-Chairman, when we are discussing the Ministry of Industry, we have to discuss the industrial policy. Today what I see is a major change, departure from the industrial policy of 1948 and 1956. In 1948 and 1956 our emphasis was on centralised planning and command economic system. Today we have departed from it. So, I congratulate the Prime Minister and the Minister of Industry because they have taken a correct decision. They have realised the position because the industrial policy which we followed in 1948 and 1956 did not give us proper results. The result was that our growth rate was less, our

[Shri Dayanand Sahay]

international debt was mounting and unemployment was growing. Under the circumstances, the new Government realised this and amended the old policy.

But today somehow our Members just go on saying that we are Nehruvian. Let us be just to Nehru. Let us not be unjust to him. Nehru's policy was quite different from what we are having today, and we should be proud to say that in the present circumstances, in the changed stiuation, in the changed world we have amended it. If the Constitution of India can be amended seventy times, why should we be afraid of saying that we have amended the industrial policy properly for the good of the people.

SHRI N.E. BALARAM : I agree. .... (*Interruptions*)

SHRI SANGH PRIYA GAUTAM (Uttar Pradesh) : Your policy in the past was wrong.

SHRI DAYANAND SAHAY : We have changed it. A command economy system, Nehru wanted. He was betrayed by his executives. Nehru was a socialist. He was not a state capitalist. Nehru only thought that the entire nation would follow him in austerity, economy and that every rupee would be utilised properly. But what happened ? We have seen the result. We have international debt of $ 80 billion. Where has the economy gone ? We have invested more than Rs. 1,08,000 crores in the public sector. We have invested in private sector equity more than Rs. 32,000 crores. What is the net result ? The result is dismal. So, I feel that we should have spared Nehru and other old leaders from bringing them today in our discussion.

While we are discussing the new industrial policy, we cannot debate it, discuss it in isolation. It has a relation with the labour policy. It has a relation with the financial policy. So, while debating this, until we change, until we reform our labour laws, perhaps, the result is not going to come as expected.

Yesterday some of the hon. Members were saying that if you follow the exit policy, the people of India will not tolerate. I thing for my hon. friends, people means organised labour which consists of hardly 2 to 3 per cent of our country's population. The communists and socialists never think that there is a big mass of population other than organised labour.

श्री राम अवधेश सिंह (बिहार) : सहाय जी, आप तो हिन्दी में बोलो, आप क्यों अंग्रेजी में बोलते हो ।

SHRI DAYANAND SAHAY : There is a big percentage of our people who are called consumers, general masses, and for them there is no concession. We have industries in our country which have been closed for the last ten years, and crores and crores of rupees are being paid every year as wages.

उपसभापति : श्रीमती सुषमा स्वराज : कृपया सदन में व्यवस्था बनाए रखिए ।

SHRI DAYANAND SAHAY : Madam, it is not only wages. They have become all-India service men like the IAS. They have time-bound promotion, no suspension and not exit. At whose cost ? It is at the cost of the people of India, met from the general budget.

So, another point I am telling you. Today there is so much automation. The labour laws are such that you can take them in but you cannot push them out. Industrialists say that it is easier get rid of your wife than to get rid of your employees. I would like that there should be a contract system introduced in almost all services. Otherwise employers are finding out their ways, bringing automation and hi-tech at every stage. I don't mind bringing in automation, if you talk about Sputniks, if you talk about something which involves a very high technology but what about digging wells, digging canals making roads or railway lines ? The Railways used to employ 20 lakh people for maintaining the railway line. Today we are buying Rs. 100 crores worth of machinery to maintain the railway line. This could easily be done by the human labour. Wh

are these people afraid of touching the human labour? Now we buy a machine which renders 6,000 workers unemployed per day. Why should we use that machine for digging canals? That can be done by the human labour. Everybody knows there is a very big industrial group, called Reliance. Reliance has got Rs. 3,000 crores worth of capital, invested but it employes only 1,100 human beings. Why is it so? Until we reform the labour laws, pay high wages, pay exit money as much as possible, but without making them permanent, there won't be a way out. If we make them permanent, nobody will work. I worked as a Chairman of the Bihar Industrial Development Corporation. There were ten industries which employed 6,000 people. The labour never worked for 12 years. Every year at least Rs. 6 crores or Rs. 7 crores were paid to them as wages. Such is the situation. I would like the labour unions to get together, sit with the Industry Ministry and find out some ways so that more labour is employed. And if they are employed, they should be paid in a better way. If they are to get out, they should be paid enough money so that they are able to settle themselves properly. This is my own suggestion on the labour front.

Now, I come to public sector financial institutions. In many of the private companies the promoters are having 2 per cent, 4 per cent or 5 per cent share in equity, whereas the public sector financial institutions have put in more than 50 per cent. Somewhere it is as high as 60 per cent. They say the units are sick. I feel there is not a single industrial unit or machinery in our company which is sick. It is the promoter who is sick, who is a fraud, who has robbed the industry. And then they have the cheek to come and ask for additional loans! There are so many instances. I know of one particular industry. It came in newspapers. Its paid-up capital is Rs. 2.5 crores and its loss is Rs. 22 crores. The firm applies for additional loan. Such promoters should have been sent to Tihar Jail. And they have got the cheek to ask for a further loan of Rs. 32 crores! And what is the share of the promoter in that company? It is not more than Rs. 30 lakhs. He has wasted Rs. 22 crores of the public money and then he wants more. So, to my mind there is not a single unit in this country which is sick; it is almost all the promoters who are sick.

What is the way out? The way out is that almost all the private companies where the loss has reached equivalent to the capital, the promoters should be removed forcibly and new promoters should be brought in. From the private sector industries, the public sector financial institutions must off-load their share in the market. If today there are Rs. 32,000 crores in equity share in the private sector invested by the financial institutions, fifty per cent of that equity should be off-loaded. If that is done, we can get one lakh crores of rupees immediately if the minimum of Rs. 10 is the price. So, we should allow the private sector promoters to play their game and allow democracy to come in there. The financial institutions should be instructed that in no company they should have more than 25 per cent equity share. The largest shareholder group in a private company should be allowed to control the company. Once we do that there will be industrial democracy and financial democracy in our country. Today we have 15 good public sector undertakings. We have invested about Rs. 12,500 crores in these undertakings. They are making profits. The profit is Rs. 30 for every Rs. 100. They are mostly petroleum companies. Why can't we off-load 20 per cent of the shares of the public sector undertakings in the foreign market? We can get Dollars. We can sell it at ten times or 20 times more per share. You can off-load them in the Bombay Stock Exchange or Calcutta Stock Exchange.

We should allow at least two or three representatives from outside to serve on the Boards of the public sector undertakings. Who is controlling the public sector undertakings? A Joint Secretary in the Ministry of Steel becomes the owner of the entire steel company in this country. A Joint Secretary in the Ministry of Civil Aviation becomes a powerful man in Air India. (Time bell) Madam, I will not take much

[Shri Dayanand Sahay]

time. So we must allow the public to serve on the Boards of the public sector undertakings but not a petty officer of any Ministry to control the entire industry which is the life-line of this country. I want the Minister to consider these two important suggestions. You should see that more people are employed and also see that the employer gets the confidence in keeping the employment at a high level and not get rid of his labour. It is not only the labour and the manager who matter in this country but there is a big section of the population which is called consumers whose interests have got to be protected at every level. Thank you.

SHRI KAMAL MORARKA (Rajasthan): Madam Vice-Chairman, at the outset I think it is an irony that this year we had chosen to discuss the Ministry of Industry when that is the one Ministry which is facing liquidation. Ever since this Government has come to power, they are systematically adopting a policy where a large part of this Ministry has already become redundant. To being with, this Ministry has got the Department of Industrial Development. As per the Annual Report, the main function of the Department of Industrial Development was industrial licensing. There was a Secretariat for industrial Approvals and a Capital Committee. Under the liberalisation policy, except 18 industries, all have been delicensed, except a limit number of items, most items are allowed to be imported under the OGL. The result is that the Capital Committee, the Directorate General of Technical Development—DGTD—and the SIA have all got very little work to do. I wonder—I have not seen any document or any statement—whether there is any move for restructuring the Ministry. Obviously with 80 per cent of the work going away, they do not have any work. I am not commenting on their policy whether it is right or wrong. We have said enough on the economic policy. We do not agree with the main postulates of their policy. But having adopted their policy, I want to test them on the own touchstone of their own policy. They have adopted a certain policy. The Prime Minister himself is on record to say that these polices are irreversible. If these policies are irreversible and if this burden of work is already removed, then, what is this Department doing?

Under the new regime, indigenous clearance is no more required. It was the main function of the DGTD. I wonder what the DGTD will do. it needs recorientation. I don't think they have even started thinking on that line at all. So the Department of Industrial Development has become defunct. What it still has and which is still relevant is the administrative Department for certain industries like automobile industry, tyre and tube industry.

For the Khadi and Village Industries Commission which was under this Department, a new Department was created called the Department for Small-scale, Agro and Rural Industries. Madam, this was created when the National Front Government was in power, when Mr. Ajit Singh was the Industry Minister. With great fanfare this Department was created with a Secretary to control it. Today, what do we find? The Annual Report of the Department of Industrial Development shows that the Department of Small-scale, Agro and Rural Industries is a part of the Department of Industrial Development. It is not even a separate department recognised enough to have a separate report of its own. This is not a small lapse I am pointing out. This is our bent of mind. The small rural and agro industries take the back seat. They are nowhere in our priority of things. We have seen the investment employment ratio. It is clear from all the records that the best ratio, the maximum employment generation with the minimum investment, is in the small industry, is in the khadi and village sector. Hundreds of crores of Central Budgetary grants are available to the Khadi and Village Industries Commission. According to me, anybody who wants to restructure the industry—and even going by their policy—should have thought and should have acted in a way where the Khadi and Village Industries Commission would be used as the nodal point for creation of

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employment. You are about to dislocate industrial employment. Avowedly, the policies are anti-employment. You are going to dislocate, even by your own version, two to five of workers. You are going to disemploy them. I shudder to think of what will happen. I warn you again. Please do not do it. Just now, I am not on that point. Just now, I will tell you, please have an alternative employment strategy. And that is within your department. What is being done ? I do not know today whether there is a Secretary for Small Industries at all. I do not think there is anybody. I think the same person is looking after both the jobs. Of course, there must be other officers in the Ministry. I am not suggesting that. My first suggestion to the Minister is this. Okay, it is already late. But please start now. Please take up the small agro and rural industry as the main work of the Department of Industrial Development. You have got rid of licesing. So, the big houses of the industry will look after themselves or they will go to the IDBI. What will your department do ? Please tell them to go to the villages. Tell them that employment generation is their main business. And if they cannot do that, they must be disemployed first. There is no use having an army of officers sitting in Udyog Bhavan who have no work to do. Please send them to the district industry centres. Please send them to the rural areas. This should be the first reorientation, restructuring, of this department.

Coming to the Department of Public Enterprises, which is very much in the news and which has been recently added to this Ministry, Mr. Thungon has just now intervened very kindly, just before the last speaker. He has given us a lot of statistics. Madam, I want to make it very clear that the public sector consists of hundreds of industries in different sectors of the economy, with different units and different locations. Bunching them together and discussing their performance is very foolish. Then, it should be the same for the private sector also. Why do we discuss the private sector industry by industry or unit by unit ? We should say, 'The public sector has done this; the private sector has done this'. That is not proper. Let us go sector by sector, unit by unit, and we will see that the public sector's performance is as mixed, good and bad, as the private sector's. I am sorry to say that today we are talking about the public sector in such a way as to give the dog a bad name and then hang it. First, we invented the public sector as a thing special to India. It was done by Jawaharlal Nehru who called them 'Temples of Modern India'. And I am with him. Today a fashion of Nehru-baiting has come. Just now, the last Congress speaker has criticised Jawaharlal Nehru more eloquently than anybody else can. This is the fashion of the day. The order of the day is to disown Nehru. Madam, I am not Nehru. People like Mahatma Gandhi, Jawaharlal Nehru and Sardar Patel have passed into history. They are beyond criticism by the pigmies of today. Let us come to the basics. We have a public sector. We have made this large investment. It is the ground reality. What do we propose to do ? Yes, we have a lot of problems. Our first problem is that the public sector as a whole is not generating money. The Finance Minister is rightly concerned that apart from the taxes from the private sector, he should get some money from the public sector. The public sector is not all under the Ministry of Industry. In fact, a very small part is under the Ministry or the Department of Heavy Industry. It is distributed in the petroleum sector, fertiliser sector, coal sector and energy sector, in a wide spectrum of ministries. Which are the public sector units that are not doing well ? Why are they not doing well ? Can they be improved? Fifteen years ago, nationalisation was the panacea. If any unit was not doing well, it was to be nationalised. Today, here, the pendulum has swung the other way. Privatisation is the panacea. Let us understand that neither nationalisation could be the panacea, nor privatisation can be the panacea. Every unit has a problem of its own and the problem must be solved on its own merits. The ownership is not relevant. After all the production of a particular item is relevant. What is relevant is management; what is relevant is technology; what is relevant is

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productivity and what is relevant is marketing. These are all the relevant aspects and not who owns the shares because the shareholders get only the dividends. As one speaker pointed out, in the private sector also, the person who controls the company owns 4%, 5% or 7% of the share of the company. So the ownership is not relevant. The management is probably good in the case of companies which are doing well. In the public sector also, there are good managers and there are bad managers. Now I disagree with my senior friend, Mr. Balaram. The unfortunate thing of the public sector is that we try to Governmentalise it which we shouldn't have done. For instance, the CBI. According to me, no industry or no business enterprise can run with the police breathing down its neck. The CBI is the police. If there is any financial irregularity, it becomes a police case. Even in a private sector, if a manager is cheating, the Criminal Procedure Code takes over the case. Any criminal offence should go to the CBI. But most complaints that we make in Parliament are not of a criminal nature. They are of impropriety. The Managing Director either misuses his power or he favour somebody and he does not favour somebody or has done some unethical practice. I submit—yesterday I had to submit that to the Finance Minister about the other irregularity in the State Bank of India—that you don't have to enquire. Your Joint Secretary sits on the Board of the public sector undertaking. He knows what has happened. If the Managing Director has done something wrong, sack that M.D. and appoint a new M.D. The country is full of M.D.s who want to serve the public sector. But in the Government, we have a system. First, we won't appoint a person. We will go on processing the files. Having appointed a person, we will not remove the person. This may be good for the administration. I am not talking of the IAS and cadre posts. But in a business enterprise, accountability is the crux of the matter. A C.M.D. who cannot give you the result must go. He must make way for somebody else. That is the only criterion. You are the owner. Parliament is the owner. The unit has to be accountable to Parliament ultimately through the Government. The Government must appoint the managers. You want results. You are appointing the managers. Either you produce it or you go. Of course, a manager has to function within his constraints. The Government tells them that "for making profit, you can do this but you can't do that". These constraints are also in the private sector. After all TISCO is a Tata concern only in name. It is managed by people who get a salary for their jobs. The Board of Directors lays down the policy. If you can't do the job, they will sack you and put somebody else. The Government is the owner. The President of India, in fact, is the owner. I do not understand what is the dichotomy and why we get confused. We get confused because we are afraid of taking a right decision at the right time. For instance, Maruti. I do not want to go into the details. Somebody has to review the performance of Maruti. It is Mr. Thungon's job. He must call the Secretary, Heavy Industry, and say that if the Managing Director has done something wrong, he should change him. After all he is the boss. We have been procrastinating these things for too long. A stage has come today when the country's finances are in trouble. So we are trying to find scapegoats. One scapegoat in the public sector undertakings. If public sector undedtaking is not doing well, you start blaming the workers. My friend from the Congress side said about trade unions. Are there different sets of workers in the country for the public sector and the private sector ? Are there different trade union leaders ? The private sector is also dealing with their trade unions. They are doing it successfully. They are having collective bargaining. Again, the crux of the matter is that the private sector managers are not afraid to talk to their workmen. Your public sector managers, unfortunately, are afraid to face the trade unions because the managers themselves are indulging in unethical practices. Then what Mr. Thungon said is very serious. My trade union friends may not agree with me. You have said that all Central D.A. that you have given is effective from 1-1-87. It is very good for the workers. I am happy

about it. But whose money are you giving ? And why should the same wage apply across the board ? Workers of a good unit are definitely entitled to ask for higher wages. They must share the prosperity of their unit. If the unit is not doing well, of course, workers are still to be paid and they have to be given a reasonably increment. What will happen in an inefficient unit ? They will *gherao* him. They will make his life miserable. Today, none of your managers' life is miserable. The man who is making profit is also sitting pretty. The man who is making loss is also sitting psetty. He immediately concedes the labour union's demand. But who is paying ?

SHRI P.K. THUNGON : Now they have started gheraoing '

SHRI KAMAL MORARKA : Then that is a good news. Forget about your policy. The day your Managing Directors in the State units come to terms with the fact that you will not be able to run an industrial unit without the cooperation of the workers, that day you will see prosperity; otherwise, not. Unfortunately, during the last forty years or so, what has been happening is that your MD is sitting in his own ivory tower and you cannot get productivity by attending seminars. Productivity will improve only by talking to the workman and sitting with him. Unfortunately, the trend now is that after we have taken to Nehru-baiting, public-sector baiting, we have now taken to workers-baiting. This will not work. We are just running away from the problem. The workers are not to be blamed at all. There has to be an "Exit Policy", but an "Exit Policy" for the management and not for the workers. Workers do not have to make an exit because they did not come there voluntarily, but they were employed. If you overemploy and if the technology has changed, the workers have to be rationalised and the trade unions fully understand this. So, I strongly object to this. Somebody has said that the management should be changed. The BIFR is doing it. The BIFR is sitting down with the Managing Directors and with the workers and, whatever reports I have got from the BIFR, I can assure the Minister that the BIFR has not found the trade unions unco-operative. They have found the financial institutions unco-operative, they have found the State Governments unco-operative and sometimes they have found the promoters not willing to put more money. But they have not found a single case where the workers or the trade unions have not co-operated to resurrect the industry. It has not happened. So, we are just talking like that which is not correct. You can go on saying that the trade unions should do this and should do that. The trade unions are prepared to do everything which is rational and reasonable. But the other side has to be taken care of. You cannot have corrupt managements who are openly taking bribe or doing wrong things or indulging in wrong practices and then you want the workers to tackle them. The workers will not listen. This is not the case with the public sector only. Even in the private sector it is the same case. If a company is doing well, everybody must share its prosperity. If the company is not doing well, everybody must tighten his belt. But, here we find, people who say most of the time that you should tighten your belt are those having bellies so big that they cannot tighten the belt at all !. So, this will not work. I do not understand this at all. People should know this because this is a very elementary thing.

In the case of the public sector disinvestment, Madam, again, what has been done ? Last year, Rs. 2,500 crores worth equity we have sold. If the public sector was not doing well, how was the equity sold at a premium ? We have sold all our good companies, good profit-making companies whose equity the Mutual Funds or the banks were prepared to buy. We have sold 25 per cent. Who has fixed the price ? Mr. Thungon says that the Mutual Fund has determined the price. Why ? If you believe in market economy, they must first get the shares quoted by the stock exchange.

SHRI P.K. THUNGON : Madam, may I elaborate on this ? This was for the first time that disinvestment took place in the public sector and that was why we did not have enough time. The Budget announcement was made in the month of July and

[Shri P. K. Thungon]

we were supposed to disinvest by the end of the year. Therefore, we were suffering from two constraints. One was the time constraint and the other was that we did not have experience and we had apprehensions that if we straight away went to the market, there might be a sort of slump or there might be the artificial sort of stock exchange problems.

SHRI KAMAL MORARKA : Yes.

SHRI P.K. THUNGON : Therefore, we are not only responsible for the public sector, but we also stand for the whole economy of the country. That is why we have chosen a via media through the Mutual Funds and the financial institutions. After their bids were obtained, whoever started bidding more and more, whoever did the highest bidding, was offered and that also in a basket because, as I said earlier, we had very good companies.

SHRI KAMAL MORARKA : O.K. That I understand. Madam, he says that the whole economy is the responsibility of the Government, therefore the Government should not take advantage of the stock exchange prices and private individuals should take advantage with Government money but Government should not take advantage. Madam, this is all confused thinking.

Madam, if you disinvest 20 per cent shares. do it in the most efficient way. This is called market economy. You cannot do an inefficient thing and cover it under some social clause. You have to do something efficient and cover it under market clause. You cannot take this facility. Madam, what they have done is : sold Rs. 2500 crores of equity, at whatever price, and used that money for what ? For revenue expenditure. Madam, it is like selling your family silver to pay your grocery bills ! That is what they have done. This kind of Government would not run. What will happen is that by the time their term is over they would have sold the public sector off and used all that money for revenue expenditure and nothing would be left for the legacy. Please be careful. I am not against public sector. I am for a healthy public sector. I am not against disinvesting a part of the public sector. But do it at the best price and use that money for again getting assets and put them back in economy or extinguishment of debt, foreign debt. (*Mime Bell rings*).

The other part is that the World Bank or the IMF have told that unless 47 or 48 public sector undertakings which the Department of Public Enterprises showed in that monograph, unless they are closed or whatever word you use, the second tranche may may not be coming. The Finance Ministry is not your Department. But let it be very clear. Dis-employment of that kind of number is impossible in this country. We will not allow it to happen. Let me put this Government on a warning. If to please their World Bank and IMF bosses they think they can play havoc with this country's socio-economic structure, we will not allow this. Everybody will be on the streets. And I can assure you that all major political parties—it will be their duty to take to the streets to stop this mismanagement of economy and a complete sell-out of all that the freedom struggle stood for. This will not be allowed. Whatever you want to do, please take the trade unions into confidence and do it slowly. Boldness is one thing, brazenness is another and bravado is a third thing. They should not indulge in brazenness and bravado. Thank you.

SHRI SANTOSH BAGRODIA (Rajasthan) : Madam Vice-Chairperson, when we have to discuss about the Ministry of Industry, my friend Mr. Morarka has said that the Ministry has of Industry has become redundant. I would like to say that I wish it would have become redundant. Policies have come. But are they being implemented ? He said that licensing is not required. But I understand some kind of regulation is still required. Are we ready to control the bureaucracy ? They need some kind of control. In spite of all the policies, has it really affected the development of the country ? I do not agree that Nehru's policy was wrong. I say that during those circumstances that was the best policy at that time. I do not say that nationalisa-

tion of banks was also wrong. Under those circumstances those policies were the right policies. I also say that today's policy is also not wrong, because the world has changed, times have changed and with the change of times we have to change.

Madam, what do we need in our industrial policy? Our hon. Minister has just now said: liberalisation. Liberalisation for what? He says: vibrant and self-reliant. Good enough. In my opinion, we need four tests for the industrial oplicy. One, is it consumer-oriented? I will go into details a little later. Is there increase in production or employment or not? when we talk about industries, there should be employment. The third point is protection, which is the latest protection of the environment. Do we protect the environment or not? Do we just go one haphazardly producing things without thinking what is happening to the environment? Then, are they export-oriented? If we go on producing things, we go on importing and we go on consuming here, the economy cannot survive. Does the present policy of ours meet the needs? Does it meet all these four criteria or not? This is what we have to understand. In my opinion, it does meet all these points. But, for implementation, I think, even the officers have to be oriented properly, and the policy might have to be changed from time to time a little more.

At this moment, Madam, I would like to quote today's newspaper which contained a news item about the ADB meeting in Hong Kong. Mr. Tarumizu, the Chairman of the ADB, addressing the three-day annual meeting of the ADB in Hong Kong, declared that the Bank's approach to development in the Asian and the Pacific Region has been to strike a balance between achieving growth, reducing poverty, and protecting environment. This is a necessity for any developing country. He also says, in a world of rapid changes, the biggest rewards will go to those developing countries that are flexible enough to turn challenges into opportunities.

Are we turning challenges into opportunities? This is what we have to understand from our Government. We have challenges. I am not going into what happened in 18 months, how the country has been destroyed. All these things are immaterial because it had already happened. The fact remains: What do we do now? We have a challenge for the country. Our hon. Prime Minister has brought this Industrial policy. Who is coming in the way? Is it the bureaucrats? Is it the industrialists or is it the workmen? Who is coming in the way of imlpementation because this challenge will not be met unless all these people are tackled properly, either he is an industrialist or a workman or a bureaucrat. Are we able to tackle them properly? Whenever an opportunity comes, the industrialist will also try to come in the way. If the worker gets a chance, he will come in the way. It is the same with the bureaucrats. As I have said, the policy is not being implemented the way in which it should have been implemented.

Madam, when we talk about the four points which I mentioned, there is the protection of the consumer-oriented thing. All through, we have been having a policy which was that you had to buy whatever was available. The policy has to be economy of excesses and not economy of shortages. Then only you will have competition, quality and good price. We have to produce everything at the lowest price and the best quality. Then only we can sell either in the country or outside the country. But what is happening? Even this morning, we talked about aero-bridge which collapsed. We had to accept whatever the L&T has given. What kind of competition can we have in the country? Can we blacklist L&T for this because the most modern and the latest equipment and the brand new equipment supplied and erected at the Bombay airport has collapsed? We do not have a second chance. What is happening? We have a monopoly of everything in the country. So, Madam, from this point of view, we have to see whether our economy is going towards the consumer-oriented concept or not. Madam, when we talk about protection of workers, I would like to give one example. What are we doing for the agro-based employment oriented industries? This relates to environment

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protection also. All over the Europe, SDP or the plastics are going out of circulation from 1992 itself. Why? It is because the plastic goods cannot deteriorate for thousands of years. And the goods which are produced in the country by the jute industry or the textiles are produced every year. The cotton and the jute is grown every year. And lakhs of people are employed. I am not saying that they may not be necessarily export-oriented. But they are necessary for the country. Why do we accept dumping of these plastic materials in the country? What are we doing to protect them? I am not saying that you protect these industries for the sake of industrialists. I am saying, please protect these industries for the sake of environment, for the sake of workers. What are we doing? When we talk of liberalisation, we say everything is liberalised and you do anything on the road and you do whatever you like. Even if the present industries are closed down or even if 40 lakhs or 50 lakhs of workers go out of employment, we are not bothered because we are under liberalisation. So, there has got to be some kind of a selection, some kind of a time lag. We cannot do it overnight. If we do it overnight, the country in the long run is going to suffer. This has to be understood. I request the hon. Minister, may be, textile industry is not under him, because with the kind of system that we have, we have different Ministries for different industries, but after all it is the collective responsibility. I would request the hon. Minister to convey this in their Cabinet meetings. Are we doing the right thing by this kind of indiscriminate liberalisation? Is this liberalisation really helping the right growth or is it only helping a few at the cost of lakhs? This has to be understood whether it is affecting the environment and whether it is raising exports.

We talk about the NRIs. Recently I was talking to the hon. Finance Minister. NRIs are being treated at a much higher level than the indians. I cannot understand why Indian citizen are being treated as second class citizens. For example, if an NRI wants, he can get clarification on taxati in advance, before the assessment, but Indian cititzten cannot. This is the pol of the Government. I would request Government to look into it. You can make Indian citizens second class citiz in their own country. There is no logic it. I am not saying that you do not NRIs come. You may give them the sa facilities. I can understand it. But, w should they be given more facilities why should they be allowed to purcl assets or industries which are already est lished by Indians? I cannot find any lo in it. We welcome them; let them produ let them bring in money, let them introdu more technologies, even in consumer ite I don't care. But let them bring out n developments, new employment, new mon and not that they just come and buy w ever is already here and try to take benefits of the established industry in country. That has to be stopped.

On this point of NRIs, there has got be some kind of export commitment. don't have a law; the industrial policy very silent on this. When the NRIs co they do not have any definite export co mitment. They are most welcome but t have to do something for the exports the country because without export, cannot survive.

We talk about this agro-based indus whether it is textile, jute or even tea. much of employment is involved in it. we trying to introduce more areas un tea? No. I know this comes under Commerce Ministry. But this is connec with the question of employment. initiative can be taken by the Indus Ministry. Our hon. Prime Minister is Industry Minister also finally and he definitely guide the Ministry. I am sur will go a long way in generating empl ment; otherwise, as my friend has said five lakh people from the organised se are unemployed, and we are not able generate more employment this year, cannot imagine the chaos which you going to face in the country. We cannot say that we are not responsible

this situation. I am very much with the industrial policy; I very much welcome it but simultaneously there must be some kind of a protection to the employees so that there is no unemployment for them, and on the other hand, new industries really develop. Otherwise, all these NRIs will come and buy the old units and there will be no development at all.

Coming to the public sector ....

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You have to conclude within one minute.

SHRI SANTOSH BAGRODIA : You have never been that harsh.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : You have already consumed your time.

SHRI SANTOSH BAGRODIA : I am very much with my friend, Mr. Morarka, when he mentioned about disinvestment. I cannot understand when the Minister said that we were in a hurry and we had no time. In June it was decided and in December we had to disinvest. Does it mean that I sell my property at a lower rate ? Why should we not register all the shares in the open market, in all the stock exchanges, where the real value of the shares will be decided by demand and supply, by the natural economic process, and then you sell it ? How many people have sold the shares in a particular company ? They said Mutual Fund will buy it at Rs. 50 and then it will be sold at Rs. 100 and the real market value of that share is Rs. 150. This is the rumour going on for different public sector companies. Why should we have this kind of a situation ? Let the highest bidder get it; let the person quoting the highest price, who is willing to pay it, get it, and it will come through the natural process of the economy, which is through the stock exchanges. Who is going to value the shares ? Why is the Ministry scared that the prices would go down ? If the unit is not doing well, the prices would go down. Even if you are bidding at a higher price, it does not mean that it is the right price. I cannot understand this. Disinvestment does not mean that you disinvest to get whatever price you get. Disinvestment means that we should get the highest price available, as per the value of the particular share. Ownership is irrelevant. That is correct. It is true. Ownership is irrelevant. It is a question of management. In regard to the public sector, the hon. Minister said 'greater autonomy'. Why greater autonomy ? There should be full autonomy. It is not important who owns it. The important thing is how it is managed. It is the responsibility of the CMD. It is the responsibility of the group of managers who are controlling the company. If they are not able to deliver the goods, action has to be taken. Action will, obviously, be taken by the owner or the shareholder, either in the form of the Government or in the form of the private shareholders. This concept has to be very clear, that ownership and management are two different things.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : Mr. Bagrodia, you have to conclude.

SHRI SANTOSH BAGRODIA : Just one more minute, Madam. This is the last minute.

Another thing is, the small-scale industries have to be developed. People, whether they are politicians or industrialists, say 'See what Japan has done, What Korea has done. What Taiwan has done'. But I would like to point out to them that, in these countries, it is the small-scale industry which is important. It is not the large industry. Every house has got a small industry of electronics, etc., in a small room. They produce the best quality goods. It is finally assembled at a different place. Therefore, in these countries, the small-scale industries not only produce more, but they also produce goods at less cost. But in our country, with the system of subsidy at different levels, we have made the SSI units unviable. The moment a SSI unit is started, some quota is given, some black money is generated and some kind of protection is given. It dies. Eighty per cent SSI units in the

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country have died a natural death. The day a SSI unit is born, it dies. If the small-scale industries have to be developed, we have to develop the infrastructure.

Now, when we talk about power, I would say, more than 80 per cent of industries are dependent on captive power. If the industries have to produce power on their own, what does the Government give them ? Madam, I know you are getting impatient.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : We are running short of time.

SHRI SANTOSH BAGRODIA : I understand. I hope the hon. Minister will consider the points I have made. Thank you.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : Mr. Madhavan, you have only four minutes.

SHRI S. MADHAVAN (Tamil Nadu) : Madam, I welcome the policy of liquidation of the permit-licence raj, putting an end to bureaucratic control, leading to political favouritism, and the dismantling of the departments of controls.

Congress Governments have done a lot to promote industrial development in Tamil Nadu, under the leadership of Shri K. Kamaraj and Shri R. Venkataraman. There was a long-standing grievance of Tamil Nadu against the Central Government for not sanctioning a petro-chemical complex at Madras, with a full Naphtha cracker plant, to produce other downstream products. I thank the Central Government for sanctioning an aromatics complex at Madras. The late Shri Rajive Gandhi sanctioned the first stage. The present Government sanctioned the second stage. But I may point out that there has been a lot of delay caused. As a result of this, the cost escalated from Rs. 800 to Rs. 1380 crores. It is because of the competition between the M.R.L., the public sector, and the private sector in U.P.

We want one more industry, for producing passenger cars. I know the Minister of Industry is interested in our project—manufacture of fuel-efficient, low-cost and less-polluting four-seater car indigenously, without any foreign collaboration. A Madras based technician has been awarded a prize at an international car designing competition, for designing a four-wheeler economy car. Kerala State also has applied for one licence. These proposals are pending with the Ministry. The bureaucrats are opposing. I think the Minister will intervene and grant licences to our State of Tamil Nadu.

Another licence pending with the Government is about fertilizer plant producing amonia and urea in Thanjavur district, Tamil Nadu. This fertiliser plant is gas-based, using gas from Cauvery Basin. The Government has not sanctioned the plant but they are investigating whether enough gas is available for putting up one gas-based fertilizer plant.

There is a general grievance that Central investment in Tamil Nadu is less and less, particularly after the Dravidian parties took over the State administration. Even the Congress leaders made this as a point of issue during elections. I must tell the Minister that all these Dravidian parties ruling in our State have always been supporting the Congress party Government at Centre. Even the present Government is supported. So, that should not be the criteria for making Central investment. If you take into account the past Five Year Plans, the investment has been on the decrease. I request the Government of India to look into this and increase the Centril investment in our State.

Madam, I had raised a point and we have also represented to the Prime Minister that there are so many industries situated in various States, but the MPs have no say in the administration, to see how they are running those industries, particularly in remote parts of the State. We represented that there must be a consultative committee for each industrial unit in every State. This must be looked into. Regarding balanced development of backward regions, the new industrial policy has confirmed the Govern-

ment anxiety to promote balanced development of backward regions through incentives and infrastructural development. That is the statement made by the Minister. I welcome this policy statement, but I am afraid this may not work. Formerly the Congress Government under the leadership of Shrimati Indira Gandhi had evinced special interest to promote industries in backward regions through joint sector concept. I find, there is no mention about this joint sector concept in the present policy. I do not think the Congress Government has forgotten Indiraji. I remember, Shrimati Indira Gandhi had written a letter to our State Government wherein it was stated that taking into considtration the backwardness of the State I sanction one joint sector project to your State. So, mere market economism and international competition to promote industry will not enthuse industrialists to go to backward areas. Preference must be given to cooperative sector and joint sector to promote industries in backward areas. The policy of the Government to encourage multinationals is a dangerous policy. It is most objectionable to allow multinationals to control trade activities. For example, the Minister has answered in the Parliament that they are giving more equity participation for Japanese promoters in the Maruti Udyog Limited. Why, what is the reason. Just to get more finance from IMF or international financial institutions? It is not a Government department, it is a company run by a Board of Directors. Why should the international financial institutions compel the Government to increase foreign equity? What is the reason? The Japanese want to take over the control of the management. Is it a fact? You must see the experience of the developed countries, just like America. They are afraid of Japanese domination in their industries, particularly in automobile industry. So we must be careful about allowing the international companies to dominate our own industrial development activities. That will be a dangerous thing. American experience will teach us a lesson for this. Trading activity should not be opened to them. They are asking even for oil and gas distribution. The multinationals are pressing the Finance Ministry to give that right also just to have investment in the exploration of oil and gas. So, just for investment you should not allow these people. They try to colonize the economy of our country. Take, for example, the sugar factories. You have licensed 50 sugar factories but they have not implemented them. Why? Because the financial institutions are refusing to finance those 50 factories. The Finance Ministry has said that the Food Ministry must consider to revise the price and incentives to sugar industry. So, mere issuing of licences will not bring projects. So, 50 sugar factories are not implementing their licences and the agriculturists in those areas are suffering. So, the Government of India must take care of these things. Thank you.

SHRI SANTOSH KUMAR SAHU (Orissa): Madam, in this changing world nothing is static. Every policy requires certain new dimensions, new changes. As Gandhiji has said, let the winds come from different directions, let the windows be open, but let us not be routed out from the soil. That is the fundamental point of every question.

We must welcome the good measures that have been taken in the new industrial policy about licensing so that free market economy can come. But, at the same time, we have to view it in the background of the 1948 Industrial Policy Resolution as passed in the Lok Sabha and the 1956 Resolution. How did they come out? They came out because of the Directive Principles enshrined in our Constitution—that we must see that our resources are utilized for the development of industry and that it must be for the common good. There was another thing also, that there should not be concentration of wealth in a few hands by taking advantage of the resources. Now the question comes about the new industrial policy. Definitely we want more productivity and technologicol improvement. That nobody denies. But let not the wrong message go out to the world that privatization

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is the panacea for all the evils. Industrialization requires certain cultures, and there are impediments in providing the new infrastructure.

We know the history of industrialization in this country. Many foreign companies came here but they did not help in the development of our public core sector industries. At that time the socialist countries came to our rescue. Let us not forget that history. Besides, what is our wealth in this country? The people, the labour, and we cannot neglect them. It will be at the social cost if we want to develop only some high profit intensive industry.

I would like to ask the hon. Industry Minister that he must clarify that the 1956 Industrial Policy Resolution attacked about the public sector. Now, are you sure that the public sector has done immense good to this country so that we have the basic industrial framework suited to our country in line with self-reliance which was the basic word of Pandit Jawaharlal Nehru, which was followed by Madam Indira Gandhi very vigorously in this country so that we can stand in the modern world and say that we can stand on our own legs as far as industrial production is concerned? Now, of course, when we have a change we cannot go back from these two realities—that there must be self-reliance in the industrial field and there must not be a threat from the other foreign investors to control our industrial production.

Now, while discussing the working of the Industry Ministry, many of our hon. Members have said, very rightly, that now when we are thinking of liberalisation of the industrial policy, the Department must also come down from administrative authority to the capacity of advising on technology and providing infrastructure in the backward areas without which probably, we will fail because it is one of the economy theories that when there is one cluster of industries which has been developed, there will be localisation of many industries there, and one part will be saturated with industrialization if we leave it to free economy and the other part will be completely blank, which will create a chaotic position in our country. So it is fundamental that while declaring new policies we have to see that regional imbalances in the country are also removed, that industries also go to new areas where there are natural resources, where there is natural wealth.

Coming to the other point, as has been rightly said, while we think that the public sector has done immense good, it is not that many of them are earning profits. Of course, they are not in the field of high profitability. That also may be considered in the overall outlook. What happened? By having the new industrial policy, the policy of liberalisation, a wrong message has gone. They (The Public Sector Industries) are finding it hard to get capital, whereas the private industry with a high-profit motive, gets it from the financial institutions. We have to stop that. We have to modernise also the public sector. It is not that all the private sector undertakings are earning very much. It is not that all of them are managing very efficiently. So, we should not ignore also the fact that the public sector in certain areas must be strengthened also. Rightly some 7 or 8 basic items we have reserved for the public sector.

I would like to ask of the hon. Minister two or three questions for special clarification. They are very vital for the country, the pharmaceutical and drug companies. India is one of the major countries which are producing bulk drugs for a decade. It is only one of the seven countries. Many other countries have left it. Medicines for mass and communicable diseases, we left to the IDPL which might be running in loss. But it is a social obligation to supply drugs at a cheaper price for eradication of malaria or filaria or TB or other common diseases. Suppose we allow privatisation which is the word of the day. Yesterday Mr. Hanumantha Rao was telling how the IDPL, Hyderabad Unit, was given to the private sector. If we allow multinationals to come in the Indian sphere, the prices will go up. The common man will get deviod of any medicine. Has the State also no responsibility and social obligation to fulfil this commitment to the common man for eradication of common diseases? Let

the higher doses which are required for richer people, be given to them. When medicines come from outside, they may be costly. Now I say that the private sector in medicine and pharmaceutical has gone in competition in the world. Why are the Americans pressing for the Patents Act and the Dunkel proposals ? It is because they want that the intellectual development and research that we are doing today in different industries, should also go away from us and that they should have the monopoly of costly productive items in the society.

Then, coming to the other factor, many of the hon. Members have spoken, but we have forgotten to mention about the co-operative sector which is thought as one of the people's economic organization. As was rightly pointed out by my predecessor, there are sugarcane industries for which licences have granted, but no financial institution is coming up to finance them for that. Why ? Because we have not stressed on the development of the co-operative sector and the agro-processing sector which are vital for employment and development of the agricultural industry which will give a strong base. It must be pointed out in our new industrial policy that the agro-based industries must get preference. Financial institutions must come to help them.

The other thing is that it is not important whether we privatise or liberalise our inudstrial policy. The question is whether crores of our handloom weavers can get yarn at a cheaper price. So, there are social obligations to be fulfilled by the Industry Department to remove the difficulties of the common man. I have said that when we are thinking of the industrial policy having a new outlook, there are definitely welcome measures. We must go in for technical collaboration with a better technology. But, Sir, how many times in different industries have we taken the latest technology ? How far has the Government of India been successful in that ? Do you think that the private capital of foreign countries will come to invest in the core sector, in the basic sector, or will it be guided by profit motive ?

That was the issue with Bokaro. Actually a socialist country, the Soviet Union, came to our aid. Otherwise, we could not have progressed much in the steel industry, We have abundance of minerals. We have abundance of natural resources. We must harness them. If we want to develop the industrial policy, we must look into the culture, the resources, the human conditions factor availabie in our country.

As Mr. Bagrodia has rightly said, if we see the latest industrial development in Japan and Korea which are emerging fast as the leading industrialised nations, it is the family units which have developed. Mahatma Gandhi thought of the cottage industry. That we can modernise, and a new technology can be developed. A new system of production can be developed in which items can be assembled at some place, and they can complete in the world market. Now, Korea and Japan have come up in such a way that they have threatened the big nations of the world to become number one industrial nations. While framing the industrial policy of this country, we cannot ignore this. We have to see that we provide greater employment, otherwise social cost will be much more. That must be looked into. If any public sector has failed, it is not because of the labour whom we are blaming. It is because of the lack of better management. Any industrial production can take place with the contribution of four factors of production—land, labour, capital and entrepreneurship. What is necessary today is the dedicated entrepreneurship, dedicated management. That requires re-orientation in order to give new spirit to industrialisation. Without this we may not probably achieve our goal.

Another fundamental question in our country is the location of industries. Partly because of historical reasons and partly because of economic concentration they are at certain places. How can we have a balance ? Natural resources like mineral wealth are located in Bihar, Orissa and some other places, but they are the poorest places in this country. Until some State sector assists and provides infrastructure there this imbalance cannot be removed

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for the balanced development of the country. Mind you no private sector will come in to do this.

Gross consumerism and market economy is not befitting to our economy for one reason that the cost push will be terrible on consumers and it may lead to more social costs and more problems. Mass unemployment and unemployment among the educated is growing in such a proportion that there seems to be no hope for them. So, I would request the Industries Minister to see that small-scale industries are given to unemployed graduates or technically qualified persons to ensure greater employment and development. I would also say that we must see that wrong messages which are emanating from it are avoided. The public sector must be strengthened in certain vital fields where no foreign investment is expected to come in. In the morning we have discussed how on the rocket engine transfer the US Government has given its warning to us. It is a matter of shame for us. What is the essence industrial policy pursued by Jawaharlal Ji and Indira Ji and others? It was self-development and self-reliance. We have to concentrate ourselves on the technological developments and technological inovations by ourselves. India is such a big country and it should not go with begging bowls. No country will come with gifts of latest technology. Rather we should ask our universities to engage themselevs with one or other research in order to contribute towards the industrial development. Let thousands of scholars try to develop technology by themselves whatever the cost. Let us take it as a crisis management of our economic policy. Industrial policy has long-term and short-term perspectives. In a short-term perspective, it is all right when you address yourself to a particular investment, but it cannot be a substitute to a long-term policy. We have to monitor our progress so that we are on the right track. I would request the hon. Industries Minister to consider all these points. He should give more importance to the small-scale sector, tiny sector and the cooperative sector. They can provide more and more employment. Secondly, agro-industries sector cannot be neglected. That also provides mass employment and generat new resources and adds to the earnings of the common man.

Lastly, I would like to say that certain areas had been continuously neglected. In Orissa petroleum chemical industry may be located at Paradip port. The Central Government should help setting up a petrochemical complex there.

I agree that the new industrial policy has certain welcome features, but it has also to ensure that the aims and objects as enshrined in our Constitution and in our Directive Principles are not neglected. We have also to see that there is no concentration of wealth in the hands of the few big companies. They must come for the removal of regional imbalance and for the development of the backward areas. The people should get benefit out of the new industrial policy which has been enshrined. Thank you.

THE VICE-CHAIRMAN (SHRIMATI SUSHMA SWARAJ) : Mr. Salaria, not present. Mr. Bhadreswar Buragohain, not present, Mr. Ambedkar, not present, Mr. Mann.

पैनल आफ वाइसचेयरमैन में से इस समय कोई मौजूद नहीं है । सदन की सहमति हो तो मैं श्री राम नरेश यादव जी को पीठासीन होने के लिए कहती हूं ।

[श्री राम नरेश यादव पीठासीन हुए]

श्री भूपेन्द्र सिंह मान (नाम-निर्देशित) : महोदय, यह देश गांधी जी का है और गांधी जी का सब से बड़ा उद्योग चरखा था और इसी से उन्होंने भारत को अंग्रेजों से आज़ाद कराया इसलिये उसका खास महत्व है । यह देश चूंकि खेती प्रधान देश है और हमने इसको डवलप करने के लिये जो केपिटल लेना है, वह खेती से लेकर ही डवलपमेंट करना है । इसके लिये जो भी पॉलिसी हो, इंडस्ट्रीयल पॉलिसी हो, वह इस ढंग की होनी चाहिये कि जो केपिटल

जेनरेट करता है, जो धन को पैदा करता है वह धन उसी के हाथ में ही रहने दिया जाए तो वह उसको ज्यादा बेहतर ढंग से खर्च कर सकता है, उससे विकास कर सकता है। जिसने धन को कमाया नहीं है अगर धन उसके हाथ में दे दिया जाए तो वह ऐसे ही खर्च करेगा जैसे फिजूलखर्ची वाली बात होती है, बरबाद करने वाली बात होती है। आज तक इस देश में यही होता रहा है। इन दिनों जब नयी ओपननेस पालिसी की बात हो रही है तो इसका महत्व और भी ज्यादा बढ़ जाता है। हम यह देखते हैं कि जब देश आजाद हुआ तो उस वक्त खेती पर जितने लोग निर्भर थे, आज इतना इंडस्ट्रीयलाइज़ेशन हो जाने के बावजूद भी खेती पर निर्भर रहने वालों की संख्या दुगुनी हो गई है। इसका मतलब यह है कि इंडस्ट्रीज जितनी बढ़ी, लोगों को उस अनुपात में रोज़गार नहीं मिला जिसका नतीजा यह हुआ कि जितने लोगों को खेती में से निकाल कर इंडस्ट्री में लगाना चाहिये था वह हम नहीं लगा सके। इसलिये आज जरूरत इस बात की है कि जो छोटे छोटे उद्योग हैं जो एग्रो बेस्ड उद्योग हैं, फूड प्रोसेसिंग का काम किसानों के साथ में, गांव के लोगों के हाथ में रहने दिया जाए और उसके हाथ से केपिटल छीना नहीं जाना चाहिये। हम किसान की केपिटल उसे उपज का कम भाव देकर छीनते हैं, मेहनत का कम दाम दे कर छीनते हैं। अगर उसकी मेहनत का दाम उसके हाथ में रहने दिया जाए तो वह छोटे छोटे उद्योग-धन्धे लगा कर अपना और देश का डवलपमेंट कर सकता है। इसकी एक छोटी सी मिसाल मैं आपको दे कर आगे चलता हूं। अगर किसान को इजाजत दे दी जाए कि वह अपने धान का छिलका उतार सकता है तो इस साल वह छिलका उतार कर चावल बेचेगा, अगले साल छिलका उतारने वाली मशीन की इलैक्ट्रोनिक्स लगा लेगा जिससे उसके चावल की ग्रेड अच्छा हो जाएगा। उसके अगले साल जो छोटा प्लेयर है उसको और ज्यादा डवलप कर के आगे बढ़ाने की बात करेगा। इसी ढंग से आगे बढ़ते बढ़ते उसका उत्पादन इंटरनेशनल स्टैंडर्ड तक पहुंच जाएगा। आप यह बात अच्छी तरह से समझ सकते हैं। जितनी देर तक ऐसी बात नहीं होगी, हम ज्यादा लोगों को इम्पलायमेंट देने में सफल नहीं होंगे। पंजाब में हम यह देखते हैं कि फूड प्रोसेसिंग का सारा काम बड़ी बड़ी यूनिट्स को सरकार ने दे दिया है। यह काम पेपसी जैसी बड़ी बड़ी यूनिट्स में होता है। अगर किसानों को अपने छोटे-छोटे उद्योग लगाने की इजाजत दे दी जाए, जो कि अब तक नहीं है, भले ही सरकार कहती है कि इंडस्ट्रीयल ओपननेस की पालिसी है, हम सभी को छूट है, हम कुछ भी कर सकते हैं।

5-00 P. M.

[उपसभाध्यक्ष (श्रीमती सुषमा स्वराज) पीठासीन हुई]

लेकिन किसान पर उसकी अपनी उपज को प्रोसेस करने के लिये अभी भी वही पाबंदियां हैं जो पहले थीं। बाहर वाले लोगों को आवाजें दे कर बुला रहे हैं। मल्टीनेशनल्स तुम आओ और आकर यहां की चीजों को प्रोसेस करो और यहां के किसान अगर खुद चाहते हैं कुछ प्रोसेस करना तो उसके रास्ते में रुकावटें हैं। अपना पेपर बनाने के बारे में उसको इजाजत नहीं है। अगर वह चाहे कि अपनी खेत उपज जो युक्लिप्टस है उसको प्रोसेस करके पेपर बनाये, कुछ इकट्ठा होकर तो उसको वह इजाजत नहीं है। मीडियम डेंसिटी फाइबर बोर्ड या पार्टिकल बोर्ड बनाने की भी ओपननेस नहीं है। तो इन हालात में हम छोटे स्तर से लेकर जितनी देर तक...

उपसभाध्यक्ष (श्रीमती सुषमा स्वराज) : मान साहब आप कन्क्लूड कर दें। पांच बजे दूसरा बिजिनेस है।

श्री भूपेन्द्र सिंह मान : कोई बात नहीं मैं बन्द कर देता हूं ।

जितनी देर तक हम गांव स्तर तक ओपेननेस को नहीं ले जाएंगे और अगर यह चाहें कि यह ऊपर से ठूंस दें, कोई और आकर हमारा इंडस्ट्रियलाइजेशन करेगा, हमारे देश की तरक्की कर देगा तो जो आयेगा यहां छीनने के लिये आयेगा, यहां लूटने के लिये आयेगा, यहां अगर हम नीचे से उठकर आगे बढ़ेंगे तो देश को बढ़ा सकते हैं। इसी ढंग की यह पालिसी होनी चाहिये। इन्हीं शब्दों के साथ मैं धन्यवाद करता हूं ।

उपसभाध्यक्ष (श्रीमती सुषमा स्वराज) : पांच बजे हमारे पास फिक्स टाइम बिजिनेस है हाफ एन हावर डिसकशन का, इसलिये इस चर्चा को यहीं बन्द करते हैं। उसके बाद इसको जारी रख सकते हैं ।

श्री राम अवधेश सिंह : बाहर जाना है हमको ।

उपसभाध्यक्ष (श्रीमती सुषमा स्वराज) : पर पांच बजे तो फिक्स टाइम बिजिनेस है, उसको हम लोग स्थगित नहीं कर सकते हैं ।

Now, we will take up the half-an-hour discussion. Shri Viren J. Shah to raise a discussion on points arising out of the answer given in the Rajya Sabha on the 25th March, 1992 to Unstarred Question 3651 regarding Line Pipe Procurement for Bombay High.

HALF-AN-*HOUR* DISCUSSION

ON POINTS ARISING OUT OF ANSWER TO UNSTARRED QUESTION NO. 3651 GIVEN ON 25TH MARCH, 1992 REGARDING LINE PIPE PROCUREMENT FOR BOMBAY HIGH

SHRI VIREN J. SHAH (Maharashtra): Madam Vice-Chairman, as you said, this arises from Unstarred Question No. 3651 about the placement of orders for two types of pipes, welded pipes and seamless pipes, with a considerable amount of foreign exchange involved in it. The total may be going up to Rs. 135 crores to Rs. 140 crores depending on the exchange value on the day of payment. Madam, I would give a little more of the background.

Starred Question No. 113 was answered in this House on 3-1-1991 by the Finance Minister and Unstarred Question No. 858 was also answered on 3-3-1992 by the Finance Minister. Both the questions related to a news item that appeared in the 'Indian Express' in December 1990 about the DRI raiding a particular company which was supplying material to the ONGC. It was alleged at that time, as per the newspaper report, that they had sold away more than half of the duty-free imported valuable material in the market. The Finance Minister, on 3-1-1991, replied that it was so and they had found that more than half the stainless steel plates were sold away by that company called 'PJ Pipes and Vessels Limited' of Bombay. Duty evasion was over Rs. 7,20,00,000/-. Investigation was on. The Government would inform the House when the investigation was over. In July 1991, I had brought this matter to the notice of the then hon. Minister for Petroleum and Natural Gas and on 26th July 1991, there was a half-an-hour discussion on gas flaring as such, again raised by me. I brought it to the notice of the House that, in the matter of this very tender, subject-matter of Unstarred Question 3651, there was the likelihood of some impropriety because the last date for the bid, for the international tender, was extended from 6th July 1991 to 22nd July 1991, on the 2nd July at the request of this company, PJ Pipes and Vessels Limited, about which the Finance Minister has categorically replied. I drew the attention of the House to this matter through the half-an-hour discussion. I have got the papers with me relating to that half-an-hour discussion we had earlier. I would recall what the hon. Minister said there. When I said that one must be very careful and if such a track record was there and that event had taken place, then one had to guard, the hon. Minister said, "This